

Fiscal Highlights

Audit of the Attorney General's Office - Clare Tobin Lence

In June 2015, the Legislative Auditor General released two audits of the Office of the Attorney General, a performance audit and an in-depth budget review. The findings were recently presented to the Legislative Audit Committee and the Government Operations Interim Committee. Budget issues from the audit will be discussed during an interim meeting of the Executive Offices and Criminal Justice (EOCJ) Appropriations Subcommittee in September.

One key finding of the performance audit was that "the lack of an office-wide electronic case management and document control system at the OAG has contributed to dropped cases, missed deadlines, unnecessary time spent searching through documents, and an inability to gather overall office-wide performance measures." During the 2015 General Session, the Legislature appropriated \$800,000 one-time and \$300,000 ongoing from the General Fund for the AG to implement a case management system and add two FTE support staff.

The auditors highlighted the need for improved accounting of legal services provided to state agencies in the budget review. As the legal counsel for state agencies, the AG receives some direct General Fund support (38 percent of operating costs) and bills agencies for the other portion of these services in the form of dedicated credits (62 percent of operating costs). Although the AG has the authority to bill agencies, according to statute, "dedicated credits does not mean [...] revenues received by the Attorney General's Office from billings for professional services" (UCA 63J-2-102). Further, agreements with agencies range from explicit contracts to verbal agreements and there is inadequate tracking of the amount of service provided to each agency. In addition to legal concerns, the current process has created a number of other issues.

The first state agency billing issue is related to federal funds. Some agencies pay the AG with federal funds, and the federal government may rescind those funds in the case of insufficient documentation of expenditures. The lack of transparency in billing also limits the ability of the Legislature to exercise oversight of how and when legal services are distributed and increases the complexity of providing compensation to AG attorneys. Compensation increases were appropriated by the Legislature in both 2014 and 2015, but because some of these increases were in the form of dedicated credits, the full amount was not collected by the AG in FY 2015.

The auditors recommended converting the AG's state agency counsel services to an Internal Service Fund (ISF) to address these billing concerns. Other inter-agency services, such as technology and human resource services, are centralized and agencies pay for services on a set schedule. The Legislature provides appropriations for ISF services to agencies during each General Session. This system provides detailed accounting and tracking, as well as allows agencies to access needed services.

In the budget review, the auditors highlighted a few additional issues which will also be addressed by EOCJ in their interim meeting: bringing certain off-budget funds on budget, improving accounting for the Internet Crimes Against Children and Strike Force programs and for settlement appropriations, and tracking meaningful performance measures.